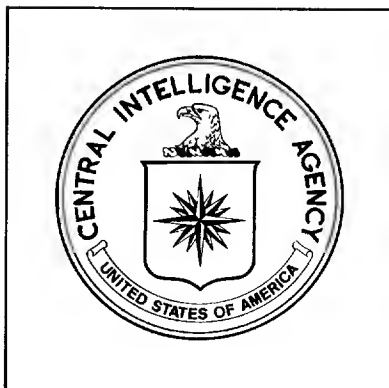


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MIDDLE EAST – AFRICA – SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Saudi Arabia-South Yemen

Talks Postponed

1 The second round of talks between Saudi and South Yemeni officials, scheduled for Cairo on June 10, has been postponed. The two sides have reportedly agreed to meet during the first week of July. The initial bilateral discussions--the culmination of a year-long Egyptian effort to promote a rapprochement between Riyadh and Aden and induce South Yemen to modify its radical foreign and domestic policies--were held in Cairo in late May.

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India

Prospects for Mrs. Gandhi

Indian Prime Minister Indira Gandhi's political position has been seriously weakened by the two stunning setbacks she suffered last week: her conviction by a court in her home state for campaign violations in 1971, and the defeat of her Congress Party in the legislative election in the state of Gujarat. Her survival in office now depends on the Supreme Court's response to the appeal she reportedly will file on Friday and on her ability to fend off inevitable challenges from within the troubled Congress Party. Even if the Supreme Court decides in Mrs. Gandhi's favor, control over both the party and the government will be impaired. Still, the centrist Congress Party--India's only truly national party--is likely to continue as the dominant factor in Indian politics.

The ruling by the court against Mrs. Gandhi caught most Indians by surprise; the case had been in and out of state courts since the charges were first filed four years ago. The almost simultaneous election setback was a major blow to the party and proof that Mrs. Gandhi, who campaigned vigorously in Gujarat, is not the vote-getter she was in 1971 and 1972.

Opposition parties lost no time in demanding Mrs. Gandhi's resignation. She has not responded unequivocally, but gives every evidence of a determination to stay on. She has been granted a stay by the court until she files her appeal.

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A decision by the Supreme Court could be months away. In the interim, she will have problems keeping her Congress Party in line. The defeat in Gujarat heightened already growing concern among party leaders about the party's ability to keep its large parliamentary majority in the next national election, which must be held no later than next spring. Some party leaders are convinced that public resentment will grow if Mrs. Gandhi remains in office during a drawn-out appeal to the Supreme Court.

The violations of which Mrs. Gandhi was found guilty involved the use of government officials for campaign purposes--a relatively minor offense by Indian standards, but still very useful to the opposition. A loose coalition of generally conservative opposition parties was formed last year in an effort to capitalize on popular dissatisfaction with Congress' performance. Led by Jayaprakash Narayan, a 72-year-old disciple of Mahatma Gandhi, the coalition has been loudly demanding clean government, election reforms, and lower prices. It has accused Mrs. Gandhi of dictatorial actions such as suspending civil liberties and using police and paramilitary forces to suppress legitimate dissent.

The Gujarat election was the first major test of the ability of the members of the opposition coalition to unite behind single candidates. The opposition passed the test. For more than 20 years, Congress had been able to count on a split of the opposition vote at both the state and national levels. The Gujarat victory will stimulate the coalition to cooperate on a nationwide basis in preparation for the next national election.

After the state court decision last week, the opposition coalition declared that it no longer recognized Mrs. Gandhi as prime minister. The opposition is clearly going to work hard to force her early resignation.

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--Sit-ins have begun in New Delhi and a mass protest march in the capital is scheduled for Sunday. Government security forces can maintain public order, but injuries and arrests may result in renewed accusations of police repression.

--The opposition's small contingent in parliament plans to obstruct proceedings when parliament reconvenes, possibly in mid-July. It has already challenged Mrs. Gandhi's right to take part in parliamentary debates before her case is decided.

Mrs. Gandhi's cabinet associates have responded with public expressions of full confidence. Behind the scenes, however, party leaders are carefully assessing whether she ought to resign. They probably will not make a decision until the Supreme Court responds to her appeal.

Mrs. Gandhi, of course, hopes the Supreme Court will extend the stay granted by the state court without setting conditions that would prohibit her from participating in parliamentary sessions. If it does not, she will probably have to step aside in favor of an interim prime minister pending a final ruling. Likely contenders for that role include three veteran cabinet members, all in their sixties: Agriculture Minister Jagjivan Ram; Foreign Minister Y. B. Chavan; and Defense Minister Swaran Singh. Also in the running would be Congress Party President D. K. Barooah and West Bengal Chief Minister S. S. Ray.

Mrs. Gandhi would not wish the job to go, even on an interim basis, to either Ram or Chavan. Both are ambitious and might prove reluctant to give the job back to Mrs. Gandhi. She would be especially reluctant to have Ram take over. He has a sizable following in the party, particularly among those who sympathize with

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Narayan's reform movement and are unhappy about Congress' loose alliance with Communists. Ram reportedly has said he would not feel bound to continue backing Mrs. Gandhi if she steps aside.

Mrs Gandhi may still conclude that stepping aside would be politically wise. Such a move would undermine some of the opposition's arguments and, perhaps, win public sympathy for an embattled prime minister, still India's most popular politician.

The Supreme Court's decision on her stay request and its willingness to speed the appeal process will be important. The judge who is presiding while the rest of the court is on vacation reportedly is pro-Congress. The chief justice, named by Mrs. Gandhi over three senior judges, could assist her by calling a special session before the court is due to reconvene in mid-July.

Observers in India expect that she will get tender treatment. She appointed all of the judges now sitting on the court. An alternative available to Mrs. Gandhi is to request the election commissioner to waive the penalty imposed by her conviction--a six-year ban on holding public office. She will probably not do this, since it would infuriate the opposition and probably be damaging at the polls.

Mrs. Gandhi has generally refrained from blaming her current troubles on foreigners, as she has often done during times of stress. Her remark that Pakistan was the only country made happy by recent developments was swiftly rebutted by Prime Minister Bhutto. Bhutto, in fact, is concerned that as Mrs. Gandhi's domestic position is threatened, she may shift to a tougher posture toward Pakistan. He reportedly has ordered the Pakistani press not to gloat about Mrs. Gandhi's predicament.


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India's pro-Moscow Communists are fighting hard for Mrs. Gandhi. They are worried that a change in prime ministers might alter the country's socialist policies and close ties with the USSR.
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